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TAGS: [PREL](#) [PGOV](#) [ECON](#) [ETRD](#) [EINV](#) [TW](#) [CH](#)
SUBJECT: SEF CHAIRMAN P. K. CHIANG PREVIEWS UPCOMING
HISTORIC CROSS-STRAIT TALKS IN BEIJING

Classified By: AIT Acting Director Robert S. Wang,
Reason(s): 1.4 (B/D).

¶1. (C) On June 9, Straits Exchange Foundation (SEF) Chairman P. K. Chiang (Pin-kung) briefed the Acting Director on his upcoming visit to Beijing to resume the cross-strait dialogue, suspended since 1999. During the talks, the two sides will complete agreements on passenger charter flights and Chinese tourist travel to Taiwan from the mainland, both of which are scheduled to begin on July 4. On June 11, Chiang will lead a nineteen-member delegation to Beijing for talks with its PRC counterpart, the Association for Relations Across the Taiwan Strait (ARATS). The SEF-ARATS talks are scheduled for June 12-13, and Chiang will return to Taiwan on Saturday, June 14. Chiang noted the tremendous media interest in the event, pointing out that 430 media representatives have applied in Beijing to cover the talks.

¶2. (C) Since becoming SEF Chairman on May 26, Chiang said, he has been very busy working to ensure the success of the upcoming talks, which will include two topics: direct charter flights and mainland tourist travel to Taiwan. SEF has recently taken over the work from the business associations that were previously conducting negotiations, he noted. In addition to weekend passenger charters, the topic "direct charter flights" also includes the expansion to daily charter flights later on, and cargo charter flights, on which discussions will continue in the future.

¶3. (C) The weekend passenger charter flights are relatively "simple" to achieve, and an "easy" way to resume productive SEF-ARATS talks, Chiang noted. The two sides have already agreed to many of the key terms, including the number of flights per day (36 round trips per weekend, split evenly between PRC and Taiwan carriers), and the four airports on the Taiwan side (Taipei Sungshan, Taoyuan, Taichung, and Kaohsiung). Chiang said that Taiwan is hoping Beijing will agree to open more than four airports on its side (currently designated to include Beijing, Shanghai, Xiamen, and Guangzhou). However, there will be many administrative details to work out over time, including the opening and staffing of airline offices. In the future, Chiang added, Taiwan hopes SEF and ARATS will be able to exchange representative offices.

¶4. (C) Chiang noted that for now all cross-strait charter flights, including those to Beijing, will continue to traverse the Hong Kong flight information region (FIR) area

until new flight routes can be negotiated. Chiang also said he expected the cross-Strait charter flights to be open to all people with valid travel documents, including foreigners. Taiwan's current proposal is over time to allow up to 3,000 tourists to enter Taiwan per day via the weekend charter flights and Hong Kong. Chiang admitted he did not know how many Chinese tourists would actually come to Taiwan, especially at the beginning.

15. (C) Chiang said that Beijing had not yet confirmed he would have a meeting with PRC President Hu Jintao during the visit, but he explained that is standard practice and he is prepared for a meeting. Chiang characterized the issue of Taiwan's "international space" as not urgent, and said his priority now is to focus on improving cross-Strait economic relations before taking up sensitive political questions. At the conclusion of the talks on Friday, Chiang said, the two sides will hold press conferences to present the main points of the agreements, adding that the agreements themselves will not be made public. Asked what the U.S. could do, or not do, to help the cross-Strait process, Chiang urged the U.S. to continue to publicly encourage and support the SEF-ARATS dialogue and the improvement of cross-Strait relations.
WANG